

ASSEMBLY BILL

No. 1442

Introduced by Assembly Member Jerome Horton

February 22, 2005

An act to amend Section 25503.6 of the Business and Professions Code, relating to alcoholic beverages.

LEGISLATIVE COUNSEL'S DIGEST

AB 1442, as introduced, Jerome Horton. Alcoholic beverages: advertising.

Existing law generally prohibits a manufacturer of alcoholic beverages and a winegrower from paying, crediting, or compensating a retailer for advertising or paying or giving anything of value for the privilege of placing a sign or advertisement with a retail licensee. It authorizes, as an exception, the holder of a winegrower's license, a beer manufacturer, a distilled spirits manufacturer, or a distilled spirits manufacturer's agent, to purchase advertising space and time from, or on behalf of, an on-sale retail licensee, under certain conditions, if the on-sale retail licensee is the owner, manager, agent of the owner, assignee of the owner's advertising rights, or major tenant of specified facilities, including specified facilities located in the County of Los Angeles.

This bill would instead limit this exception to specified facilities located in the City of Los Angeles.

This bill would make findings regarding the need for special legislation.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 25503.6 of the Business and Professions Code is amended to read:

25503.6. (a) Notwithstanding any other provision of this chapter, a beer manufacturer, the holder of a winegrower's license, a distilled spirits rectifier, or a distilled spirits manufacturer, or distilled spirits manufacturer's agent may purchase advertising space and time from, or on behalf of, an on-sale retail licensee subject to all of the following conditions:

(1) The on-sale licensee is the owner, manager, agent of the owner, assignee of the owner's advertising rights, or the major tenant of the owner of any of the following:

(A) An outdoor stadium or a fully enclosed arena with a fixed seating capacity in excess of 10,000 seats located in Sacramento County or Alameda County.

(B) A fully enclosed arena with a fixed seating capacity in excess of 18,000 seats located in Orange County or *the City of Los Angeles* ~~County~~.

(C) An outdoor stadium or fully enclosed arena with a fixed seating capacity in excess of 8,500 seats located in Kern County.

(D) An exposition park of not less than 50 acres that includes an outdoor stadium with a fixed seating capacity in excess of 8,000 seats and a fully enclosed arena with an attendance capacity in excess of 4,500 people, located in San Bernardino County.

(E) An outdoor stadium with a fixed seating capacity in excess of 10,000 seats located in Yolo County.

(F) An outdoor stadium and a fully enclosed arena with fixed seating capacities in excess of 10,000 seats located in Fresno County.

(G) An athletic and entertainment complex of not less than 50 acres that includes within its boundaries an outdoor stadium with a fixed seating capacity of at least 8,000 seats and a second outdoor stadium with a fixed seating capacity of at least 3,500 seats located within Riverside County.

(H) An outdoor stadium with a fixed seating capacity in excess of 1,500 seats located in Tulare County.

(I) A motorsports entertainment complex of not less than 50 acres that includes within its boundaries an outdoor speedway

1 with a fixed seating capacity of at least 50,000 seats, located
2 within San Bernardino County.

3 (J) An exposition park, owned or operated by a bona fide
4 nonprofit organization, of not less than 400 acres with facilities
5 including a grandstand with a seating capacity of at least 8,000
6 people, at least one exhibition hall greater than 100,000 square
7 feet, and at least four exhibition halls, each greater than 30,000
8 square feet, located in the City of Pomona or the City of La
9 Verne in Los Angeles County.

10 (2) The outdoor stadium or fully enclosed arena described in
11 paragraph (1) is not owned by a community college district.

12 (3) The advertising space or time is purchased only in
13 connection with the events to be held on the premises of the
14 exposition park, stadium, or arena owned by the on-sale licensee.
15 With respect to an exposition park as described in subparagraph
16 (J) of paragraph (1) that includes at least one hotel, the
17 advertising space or time shall not be displayed on or in any hotel
18 located in the exposition park, or purchased in connection with
19 the operation of any hotel located in the exposition park.

20 (4) The on-sale licensee serves other brands of beer distributed
21 by a competing beer wholesaler in addition to the brand
22 manufactured or marketed by the beer manufacturer, other brands
23 of wine distributed by a competing wine wholesaler in addition
24 to the brand produced by the winegrower, and other brands of
25 distilled spirits distributed by a competing distilled spirits
26 wholesaler in addition to the brand manufactured or marketed by
27 the distilled spirits rectifier, the distilled spirits manufacturer or
28 the distilled spirits manufacturer's agent that purchased the
29 advertising space or time.

30 (b) Any purchase of advertising space or time pursuant to
31 subdivision (a) shall be conducted pursuant to a written contract
32 entered into by the beer manufacturer, the holder of the
33 winegrower's license, the distilled spirits rectifier, the distilled
34 spirits manufacturer, or the distilled spirits manufacturer's agent
35 and the on-sale licensee.

36 (c) Any beer manufacturer or holder of a winegrower's
37 license, any distilled spirits rectifier, any distilled spirits
38 manufacturer, or any distilled spirits manufacturer's agent who,
39 through coercion or other illegal means, induces, directly or
40 indirectly, a holder of a wholesaler's license to fulfill all or part

1 of those contractual obligations entered into pursuant to
2 subdivision (a) or (b) shall be guilty of a misdemeanor and shall
3 be punished by imprisonment in the county jail not exceeding six
4 months, or by a fine in an amount equal to the entire value of the
5 advertising space, time, or costs involved in the contract,
6 whichever is greater, plus ten thousand dollars (\$10,000), or by
7 both imprisonment and fine. The person shall also be subject to
8 license revocation pursuant to Section 24200.

9 (d) Any on-sale retail licensee, as described in subdivision (a),
10 who, directly or indirectly, solicits or coerces a holder of a
11 wholesaler's license to solicit a beer manufacturer, a holder of a
12 winegrower's license, a distilled spirits rectifier, a distilled spirits
13 manufacturer, or a distilled spirits manufacturer's agent to
14 purchase advertising space or time pursuant to subdivision (a) or
15 (b) shall be guilty of a misdemeanor and shall be punished by
16 imprisonment in the county jail not exceeding six months, or by
17 a fine in an amount equal to the entire value of the advertising
18 space or time involved in the contract, whichever is greater, plus
19 ten thousand dollars (\$10,000), or by both imprisonment and
20 fine. The person shall also be subject to license revocation
21 pursuant to Section 24200.

22 (e) For the purposes of this section, "beer manufacturer"
23 includes any holder of a beer manufacturer's license, any holder
24 of an out-of-state beer manufacturer's certificate, or any holder of
25 a beer and wine importer's general license.

26 SEC. 2. The Legislature hereby finds and declares, with
27 respect to Section 1 of this act, that a special statute is necessary
28 and that a statute of general applicability cannot be enacted
29 within the meaning of Section 16 of Article IV of the California
30 Constitution, because of unique circumstances and concerns
31 applicable to certain facilities located in the City of Los Angeles.